

RESOLUTION NO. 05-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, BASED ON THE CITY'S ANALYSIS AND COMMITMENTS FROM THE DEVELOPER REGARDING THE DETAILS OF THE BILL, IT IS IN THE CITY OF SUGAR LAND'S BEST INTEREST NOT TO OPPOSE LEGISLATION FILED WITH THE 79TH SESSION OF THE STATE LEGISLATURE TO CREATE A SPECIAL MANAGEMENT DISTRICT AS PROPOSED BY THE PROSPECTIVE DEVELOPERS OF THE IMPERIAL SUGAR COMPANY PROPERTY SO LONG AS THE LEGISLATION BEING FILED IS IN FULL COMPLIANCE WITH THE ATTACHED LETTER AGREEMENT.

WHEREAS, Imperial Sugar announced on February 18, 2005, that a preliminary agreement had been reached with Cherokee Investments and W.C. Perry Land Development for the sale of the Imperial Sugar Property in Sugar Land; and

WHEREAS, notice was published on February 23, 2005 that a local bill would be filed with the 79th Session of the Texas Legislature to create a special management district for the redevelopment of the Imperial Sugar Property in Sugar Land, Texas; and

WHEREAS, time is of the essence for the filing of legislation to the 79th Session of the Texas Legislature; and

WHEREAS, the City Council approved Resolution No. 05-16 on March 15, 2005 expressing its expectations for the redevelopment of the Imperial Sugar Property that incentives, financing alternatives, and/or public-private partnerships may be required to ensure the City's ability to achieve its objectives and the financial feasibility of the project; and

WHEREAS, the City Council's immediate concerns regarding the legislation and proposed development have been addressed through the developer's commitments contained in the attached letter of agreement between the City of Sugar Land, Cherokee Investments and W. C. Perry Land Development; and


WHEREAS, after careful review of the concept for creation of a special management district and based on legal advice, the City Council understands that the City Council is required to give its consent before the district may be created; and

WHEREAS, Council believes that the legislation to create a special management district could preserve a means of financing that is a viable option for the City and that further analysis and evaluation can be done following the legislation and prior to the City's consent to create the district;
NOW THEREFORE:


**BE IT RESOLVED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

That the City of Sugar Land will not oppose legislation filed in the 79th Session of the Texas Legislature for the creation of a Special Management District for the purposes of redevelopment of the Imperial Sugar Property in Sugar Land, Texas, so long as the legislation being filed is in full compliance with the attached letter agreement by and between the City of Sugar Land and Cherokee Investments and W. C. Perry Land Development, dated 7-12-05, and further authorizing the City Manager to sign the letter agreement.

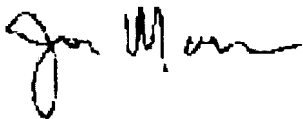
PASSED AND APPROVED on March 22, 2005


M. Cyril Hosley, Mayor Pro-Tem

ATTEST:


Glenda Guntermann, City Secretary

Reviewed for Legal Compliance:



Attachment: Letter Agreement

AGREEMENT

This Agreement in made and entered into by and between W. C. PERRY LAND DEVELOPMENT and CHEROKEE INVESTMENT PARTNERS, LLC (collectively referred to herein as the "Developers") and the CITY OF SUGAR LAND, TEXAS (the "City") on this day of March, 2005.

WHEREAS, Imperial Sugar announced on February 18, 2005 that a preliminary agreement for the sale of the Sugar Mill property in Sugar Land has been reach with the Developers; and

WHEREAS, the Developers caused notice to be published that a local bill would be filed with the 79th Session of the Texas Legislature to create a special management district for the redevelopment of property described as the Imperial Sugar Property (the "Tract") in Sugar Land, Texas; and

WHEREAS, time is of the essence for the filing of legislation with the 79th Session of the Texas Legislature; and

WHEREAS, the City has determined that the creation of such a special district over the Tract may be a viable option for the financing of the improvements and services to the Tract, although the City needs more time to evaluate such district; and

WHEREAS, the City will agree not to oppose such legislation in order to preserve the option of a special district until the City has completed its analysis of the suitability of such district to the development of the Tract,

NOW, THEREFORE, for and in consideration of the premises and the mutual promises, benefits and covenants herein contained, the parties agree as follows:

1. The City will not oppose the local bill to be filed with the legislature to create a special district over the Tract, provided that the Developers abide by the following terms and conditions.

The Developers will submit the draft legislation to the City for review, comment, and possible revisions. The City agrees to work with the Developers to try to reach consensus on the language of the bill.

3. The bill must contain the following provisions:
 - a. Clarification that all tax increment reinvestment zones must be created by the City pursuant to Chapter 311, Texas Tax Code, and the district will not have the legal authority to create such a zone, and
 - b. Appointment of all directors for the district by the City.
4. The following provisions will be included the conditions under which the City consents to the creation of the district or such other agreements as the Developers, and the City may agree:
 - a. The Developers must submit and obtain City approval of their development plan, which will include all improvements and infrastructure to be constructed by the

district and the district's plan of financing for all infrastructure, services, and improvements;

- b. The City shall have the right to approve the plans and specifications for all district financed infrastructure, improvements, and services; and
 - c. The City shall have the right to approve all bonds issued by the district on such terms as the City considers advisable.
5. The Developers and the district will follow the standard development process of the City including submission and City approval of a general plan and entering into a development agreement, a utility agreement, and other agreements deemed necessary by the City to address issues of concern to the City, the Developers and the district.
6. This letter agreement does not constitute nor shall it be construed as to constitute:
- a. a consent from the City or an agreement to consent to the district if created;
 - b. a limitation on the conditions to be imposed by the City in regard to development of this tract; or
 - c. an agreement of the City to create or to participate in a tax increment reinvestment zone over this property.

CHEROKEE INVESTMENT PARTNERS, LLC

By: Kyndel W. Bennett
Name: Kyndel W. Bennett
Title: Vice President

W.C. PERRY LAND DEVELOPMENT

By: Will C Perry
Name: Will C Perry
Title: CEO

THE CITY OF SUGAR LAND, TEXAS

By: Allen Boyard
Name: Allen Boyard
City Manager